

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
COUNTY OF NEWPORT**

APPROVED 3/8/10

At a meeting of the Town Council of the Town of Tiverton, County and State aforesaid, held at the Tiverton Town Hall, 343 Highland Road, on the 22nd day of February 2010 A.D. at 7:00 p.m.

President Bollin opened the meeting with the Pledge of Allegiance to the Flag.

Roll Call:	Donald Bollin-President	Jay Lambert
	JoAnne Arruda-Vice President	Cecil E. Leonard
	Hannibal Costa	Edward Roderick
	Louise Durfee	

Town Administrator, James C. Goncalo, Asst. Solicitor Jeanne Scott and Town Solicitor, Andrew M. Teitz were also present

Approval of Consent Agenda:

All items listed with (CA) are to be considered routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a member of the Council or a member of the public so requests, in which event the item will be removed from Consent Agenda (CA) consideration and considered in its normal sequence on the agenda.

Council President Bollin read the items on the Consent Agenda.

Councilor Leonard made a motion, seconded by Councilor Arruda to approve the items on the Consent Agenda Motion passed unanimously.

The Consent Agenda was as follows:

CONSENT AGENDA:

A-1-Approval of Minutes of Previous Meetings:

- a. Approval of Minutes from Regular Council Meeting February 8, 2010
- b. Approval of Minutes from Regular Council Meeting January 25, 2010
- c. Approval of Executive Session Minutes February 8, 2010 Meeting

A-2-Receipt of Minutes from Various Board and Commissions:

- | | | |
|---------------------------------|-----|-------------------------------------|
| a. Recycling/Landfill Committee | (2) | c. Wastewater Management Commission |
| b. Historic Cemetery Commission | | d. Economic Development (2) |

A-3-Correspondence:

- a. Received from Town of Burrillville– Resolution Relative to Withholding of Motor Vehicle Excise Tax Reimbursements
- b. Received from Town of Little Compton – Copy of Proposed Zoning Ordinance Amendment Relating to Special Flood Hazard Areas
- c. Received From Tiverton School Department Regarding Appropriation for Next fiscal Year – Referred to Town Solicitor
- d. Received From City of Providence – Council Resolution Relative to Blue Alert Program

A-4- Approval of Tax Assessor Abatements

A-5-Town Administrator – Distribution of Revised Proposed Budget Fiscal Year 2010/11

A-6-Received from Hoffman Engineering – Bay Street Residential Remediation Weekly Meeting Minutes from February 2nd

PUBLIC HEARINGS- ADVERTISED:

Steve Ostiguy, Church Community Housing – First Public Hearing - Community Development Block Grant Program

Council President Bollin opened the Public Hearing for comment. Councilor Roderick, had at a Council meeting last year, requested the Town Administrator find out why the Town does not pursue the CDBG funds themselves. The Administrator had contacted the CDBG, inquiring how they administer requests for funding, will look further into it. There was no representative from Church Community at the meeting at this time.

Councilor Roderick made a motion, seconded by Councilor Leonard to continue this further down in the agenda when a representative is present. Motion passed unanimously.

Town Administrator – Public Hearing for Revised Tax Stabilization Ordinance Revision

Administrator Goncalo noted all the recommendations had been incorporated. President Bollin opened the Public Hearing for comment, seeing none opened the floor for Council comments. Chris Spencer, Town Planner, suggested moving this under the section titled taxes, had been buried in the Town code, very under utilized. The Economic Development Committee (EDC) wanted to give more assistance to companies renovating. Assessor, David Robert, noted during the construction phase, the tax is calculated on percent of completion, upon completion, taxed at 100%. Len Schmidt, Chair of the EDC, said the purpose was to assure Tiverton was competitive with other communities for economic development incentives, enhance the tax base and increase viability. President Bollin closed the Public Hearing.

Councilor Durfee made a motion, seconded by Councilor Costa that the proposed Ordinance Revision for Tax Stabilization be adopted. Motion passed unanimously.

PUBLIC HEARINGS- ADVERTISED: Continuation

Steve Ostiguy, Church Community Housing – First Public Hearing - Community Development Block Grant

Steve Ostiguy, Executive Director of Church Community Housing appeared before the Council in the first of two Public Hearings on the Town's eligibility for the Community Development Block Grant program (CDBG). The first hearing is for comments and consideration. The Town can apply for up to \$400,000 for Federal Funds on a competitive basis. The requests for funding must benefit low to moderate-income residents. Over the years, sewer lines in the North end of Town have been extended and the Senior Center has been improved. So far have received two letters from East Bay Community Action and the Women's Resource center hotline. Church Community Housing for operating a housing rehab program at Sandywoods Farm also looking for consideration. Councilor Leonard asked what was considered the income level of low-moderate income. According to Mr. Ostiguy a family of four must earn below \$64,000 to be eligible. Maintenance Director Bob Martin wanted to know who can apply, how they can apply and who makes the decision on where the funds go. The Senior Center still has $\frac{3}{4}$ quarters of a roof that needs to be repaired. The Community Center is in the same category. Bulgarmarsh Park and the Fire Station serve all incomes: both need work.

According to Mr. Ostiguy each application goes to RI Housing and Community Development staff services, then to an advisory committee for review. Public works proposals are in competition with other communities. Typically requests are three times as much as can be given out. The program has mechanisms to see if a family qualifies. The census is used to determine the median income. The fire department is not considered eligible because they serve an area greater than the eligible block. The Senior Center can receive funds because the users are low to moderate income. In Tiverton the tract is from State Avenue to Hooper Street and Fish Road to Main as a qualifying neighborhood. The list of request will be reviewed at the next Public Hearing on March 22, 2010. Town Administrator is currently formulating a list of requests. President Bollin closed the first Public Hearing at this time.

APPOINTMENTS & RESIGNATIONS:

Building Feasibility Committee Council Interviews

a. Laura Epke, 532 Neck Road b. Louis Cabral, 304 Church Pond Drive c. Lynn Perrault, 99 Neck Road
d. Barbara Fischer Pelletier, 104 Bonnielfield Drive e. Robert Martin, 288 Hilton Street f. Lisa Glowacki

Resident Joe Souza recalled the schools were to be sold after renovations or newer ones built. Remembered being told that during the bond issue that the buildings would be sold to pay for the bonds. Sale should not be put off.

President Bollin noted the resolution establishing the Advisory Committee, which will recommend best use of the buildings, does rule out sale, and could be achieved prior to 2011. The committee should undertake the study; get a broad scope on what to do with the properties.

Laura Epke, as a taxpayer, will be looking to get the most for the money. Councilor Durfee recalled during the discussion at the workshop the Council wanted a broad composition of people. President Bollin agreed, imperative to have a diverse group should continue to interview and advertise. For those not appointed to the committee, public participation is encouraged and appreciated.

Councilor Leonard made a motion, seconded by Councilor Roderick to appoint Laura Epke to the Municipal Building Feasibility Advisory Committee. Motion passed unanimously.

Mr. Cabral has a professional background in commercial real estate development. Ms. Perrault, a retired teacher, felt the bigger picture needed to be looked at. Ms. Pelletier hoped to have community use of the properties of the schools. Bob Martin, Maintenance Foreman for the Town, knows the buildings inside out, wants what is best for the Town. The Town Clerk had checked with the Town Solicitor on whether Mr. Martin could be appointed, since this is committee is not established by the Charter an employee can serve. Ms. Glowacki has a real estate background, small business advocate, hoping to make a difference. Councilor Durfee knew of one other person who had not yet submitted an application.

Councilor Lambert made a motion to change the number of members from five to seven (voting members, not counting ex-officio members) Seconded by Councilor Leonard the motion passed on a vote of 6-1, Councilor Costa opposed.

Councilor Leonard made a motion to appoint Bob Martin as a voting member. The motion was seconded by Councilor Roderick and passed unanimously.

Councilor Costa made a motion, seconded by Councilor Durfee to appoint Louis Cabral to the Municipal Building Feasibility Advisory Committee. Motion passed unanimously.

Councilor Roderick made a motion, seconded by Councilor Durfee to appoint Lynn Perrault to the Municipal Building Feasibility Advisory Committee. Motion passed unanimously.

Councilor Lambert made a motion, seconded by Councilor Roderick to appoint Barbara Pelletier to the Municipal Building Feasibility Advisory Committee. The motion passed on a vote of 4-3; Councilors Arruda, Bollin and Durfee opposed citing diversity.

Councilor Bollin made a motion, seconded by Councilor Arruda to appoint Lisa Glowacki to the Municipal Building Feasibility Advisory Committee. Motion passed unanimously.

President Bollin thanked all the applicants. Councilor Roderick noted the resolution called for the Council to appoint the Chair.

Councilor Durfee made a motion, seconded by Councilor Roderick to appoint Laura Epke Chair of the committee. Motion passed unanimously.

President Bollin noted the ex-officio are non-voting members and the Council will accept anyone who wants to serve in that capacity.

Councilor Lambert accepted position as Council ex-officio member of committee, voluntarily.

Planning Board Resignation – Philip Marks

Councilor Durfee made a motion, seconded by Councilor Arruda to accept with regret the resignation of Philip Marks from the Planning Board. Motion passed unanimously.

Councilor Durfee made a motion, seconded by Councilor Roderick to move up item G-1, Representative John Edwards requesting Council support for a resolution. Motion passed unanimously.

NEW BUSINESS:

Honorable Representative John G. Edwards Requesting Support of Council for Resolution Relative to Sakonnet River Bridge and Tolls

Rep. Edwards was requesting support of the Council for a resolution relative keeping New Sakonnet River Bridge under RIDOT control and no placing of tolls on the Sakonnet River Bridge. Governor Carcieri introduced a bill to put tolls on the Sakonnet Bridge. Rep. Edwards handed out to the Council copies of the Act. According to Rep. Edwards, 70% of the tolls will go to the rest of the state. Councilor Durfee, noted the concerns, asked Rep. Edwards if he had an alternate plan. Rep. Edwards stated this bill is unfair to residents in this part of the State. President Bollin agreed, this should not be on our local community to support other bridges in the State. Councilor Leonard suggested a toll on route 95 was one way, abolish the Turnpike Authority and put DOT in charge for bridge management, then put tolls on major bridges. Is a separate authority really needed for 4/5 of bridges? Rep. Edwards pointed out the DOT had control of the Sakonnet Bridge, did not think removing the bridge from that control was a good idea. Councilor Roderick questioned if there was a typing error in the Act on line 3, with the Sakonnet River stone bridge.

Councilor Leonard made a motion, seconded by Councilor Arruda to support Rep. Edwards bill, the resolution prohibiting tolls on the Sakonnet River Bridge and prohibit transfer to RI Bridge and Turnpike Authority without general assembly approval. Motion passed unanimously.

UNFINISHED BUSINESS:

Councilor Durfee –

a. Treasurer's December/January 2009 Budget and Revenue Report – Previously Distributed - Continued From January 25th Meeting

b. Communication of Internal Control Deficiencies Report From Auditor Parmelee, Poirier & Associates 1.Town Administrator Update on February 18 Meeting With Paul Dansereau Regarding Longevity Reporting on June 30' 2009 Financial Statements

The order of items were reversed, item b. was taken first.

Administrator Goncalo, at a previous Council meeting, noted there was a question regarding longevity in conjunction with the annual audit. Met with Treasurer Philip DiMattia and the auditor, an issue in restating the fiscal year for \$75,000. In executing the correction, longevity was credited to the salary accounts rather than the longevity accounts. There were several other small items that had no financial impact. Another \$39,000 on longevity will be corrected. The auditor provided that entry to the Treasurer. Auditor Paul Dansereau handed out to the Council the corrected pages 61-67 of the audit. The \$39,000 was not material to the total picture, not advocating making an adjustment. Councilor Roderick questioned why an amendment to this years audit would not be made. Why wait until next year? Auditor and Treasurer determined out of a \$42 million dollar audit was not material, not that significant. Councilor Roderick begged to differ, this was a lot of money based on where the budget stands. Councilor Durfee agreed, this represents 20% of the increased unrestricted surplus. Admin. Goncalo asked for Council pleasure as to what action is taken.

President Bollin questioned the cost for an additional amended audit, who would authorize and if the Council can expend that money. Councilor Arruda noted any other department head that couldn't account for this much money would be held accountable. Auditor Paul Dansereau spoke at length on the matter. The audit was performed for 6/30/2009. The \$39,000 has been accounted for. Longevity has to be reversed out, with a reversing entry to pull out the \$75,000. The \$39,000 will be reversed in the current year. There is no effect to the fund balance, don't think it affects the bond rating or the discount rate. This does not happen all the time, is a timing issue. Councilor Roderick noted any time there is an issue; an amended audit should be required. Mr. Dansereau noted there is a process for this if the Auditor General looks at the issue then the auditor restates their opinion and reviews again.

There would be a cost involved along with timing and classification issues. This does not impact financial statements. Will be fixed this year, the money is not missing.

Councilor Durfee noted the Council has to have a level of confidence on information given to the Council. Time and again the Council is finding the numbers don't match, which may not be auditor's problem. Councilor Durfee asked the changes be highlighted. Councilor Leonard complained the Council should have received the handout in advance of the meeting. Councilor Bollin would have liked the original audit to compare line by line. Mr. Dansereau noted he was asked by the Treasurer to provide something to the Council. President Bollin didn't know who made the mistake or how it was made; can see several mistakes with how things were recorded. Mr. Dansereau noted the original audit stated there was sufficient deficiencies in internal control that need to be corrected.

Councilor Roderick questioned the landfill closure expenditure of \$46,267 under Public Works. Mr. Dansereau replied it was a loss of valuation in investment. Discussion pursued as to how a restricted account could be placed in a volatile investment. Councilor Durfee asked this restricted account have a footnote explaining a loss and not be shown as expense to DPW.

Treasurer Philip DiMattia could not talk about what went on before him, that it was in two separate investments, predated his tenure, were rolled from a money market account to a protected portfolio. President Bollin thought this was in an interest bearing account, asked the Treasurer for an explanation, what type of account this was in, what the account was set up to do and wanted to know how the Town lost \$46,000. Councilor Roderick complained the Council still had not received the reports requested last year on investments. Treasurer DiMattia told the Council he would not have the reports until the beginning of April. Councilor Roderick was even more concerned, wanted the reports as soon as possible. President Bollin agreed, wanted a report on the loss of \$46,000 and what transpired. Councilor Leonard noted the Council should withhold judgment but need to see a report by the next meeting.

Treasurer DiMattia planned to look at Mr. Dansereau's working papers that created the entry. Councilor Roderick questioned a transfer of \$2,260 that was not authorized by Council. The funds came from the Treasurer's account. In addition to services rendered, the Treasurer invited the auditor for extra work. Councilor Roderick pointed out there was a budgeted amount for the audit, the T/Admin. can authorize up to \$2,500. Admin. Goncalo did not authorize the use of \$2,260. Treasurer DiMattia admitted authorizing the transfer. Town Clerk reminded Council that the audit is the charge of the Council under the Charter. Council was in agreement they should be kept aware of and authorizes expenses for audit. President Bollin thanked Mr. Dansereau for appearing.

Over a year ago, Councilor Durfee requested a report on investments, debt service income and the Starwood sewer interceptor income. The Council still has no accurate revenue report. Treasurer had provided to the Council when the interest is recorded, can't remove from Bank Mellon NY, cannot recognize as interest, is applied to debt service. Councilor Durfee wanted to know why the interest is not recorded, which has been done in the past. Need to show income as it comes in, should show a revenue report or take it out. Regarding the revenue report President Bollin noted the interest income received so far on investments of \$35,169 was well below the projected revenue report provided by the Treasurer. The budget based on the revenue projection is short \$104,830. Treasurer DiMattia stated he did not have the ability to predict future entries. President Bollin emphasized the importance of having good projected revenue figures. The whole budget is based on these figures. Councilor Durfee had asked the Treasurer to take the abatements out of the reports. Treasurer DiMattia noted accountants do not like to get into retroactive reports, as an accountant does not like to remove numbers. Councilor Durfee pointed out it would only be a deletion. Treasurer was going to the software vendor for the removal of abatements. At this time the Treasurer told the Council to give any questions to the Administrator, couldn't go forward any more, due to a medical condition.

Council President Bollin recused himself at this time and left the Council table. Vice-President Arruda assumed the Chair.

Attorney Jeremiah Leary, Representing John Hasenjaeger – Request Sewer Extension

a. Letter of Support from Economic Development Commission

b. Letter of Support from the Planning Board

c. Statement of Support from Wastewater Management Commission

Attorney Jeremiah Leary, representing John Hasenjaeger, appeared before the Council seeking approval for a 200-foot extension of the existing public sewer line that would be paid for by Mr. Hasenjaeger, to his proposed development on Fish Road. An informal concept plan has been submitted to the Planning Board for various commercial uses in a highway commercial zone. Will clearly require extensive hearings and may require zoning relief. The Wastewater Management Commission, the Economic Development Commission and the Planning Board are submitted letters recommending the approval of the extension. Councilor Durfee was concerned about the timing before the Council and the impact on other Boards and Commission's decisions being influenced by an approval at this time, once process is followed and all proper Boards and Commissions approve it would be hard pressed for Council to deny.

Mr. Leary explained the project could not go any further without approval of sewers. Councilor Costa noted the Council could put a limitation in the motion. Town Planner, Chris Spencer, suggested this process to developer, indicating an extensive chart of steps necessary for approval. Councilor Durfee pointed out the Planning Board could make it a condition of their approval. Mr. Spencer suggested including the approval be contingent upon meeting all other requirements.

Councilor Roderick agreed with Councilor Costa as to a time limit and conditional approval.

Councilor Roderick made a motion to approve the sewer extension, paid for by the developer and subject to approval of all other boards and commission involved, and for a period of no more than 3 years. This is not an approval of the plan. Councilor Lambert amended the motion to include the land identified as concept project Tiverton Village. Solicitor Teitz suggested including the highway commercial zoned land shown as Tax Assessor's Map 2-10, Block 92, Lot 7, Map 2-10, Block 92, Lot 8 and Map 2-11, Block 92, Lot 17. Councilor Leonard seconded the motion. The motion passed on a vote of 5-1, Councilor Durfee opposed, not to the project but the timing.

President Bollin returned to the Council table at this time.

TOWN ADMINISTRATOR ANNOUNCEMENTS, COMMENTS AND QUESTIONS:

1. Applied to Congressman Kennedy's office for F/Y 2011 Project Fund of \$207,000 for Bay St. Sewer Design.
2. AARP will be providing tax service for elderly , low income for free at the Senior Center from 9am to 3pm.

TOWN SOLICITOR, ANNOUNCEMENTS, COMMENTS AND QUESTIONS:

1.Motion to Stay Filed by Danielle Coulter Filed in Superior Court

2.Town's Objection to Plaintiff's Motion to Stay

Solicitor Teitz had filed a Defendant's Objection to Danielle Coulter's Motion to Stay. Teitz also informed Council he had received just prior to the meeting a Notice of Withdrawal of Motion to Stay All Motions by Danielle Coulter. As previously directed by the Council will have a draft resolution at the next meeting.

CLOSED EXECUTIVE SESSION:

1. Town Solicitor - Litigation – 42-46-5(a) (2)

2. Town Administrator – 42-46-5(a)(6) – Prospective Business or Industry

Solicitor Teitz announced there was nothing for Executive Session at this time.

ADJOURNMENT:

Councilor Roderick motioned to adjourn, seconded by Councilor Arruda. Motion passed unanimously.

Council adjourned at approximately 9:50 p.m.

A True Copy.

ATTEST: _____ Nancy L. Mello, Town Clerk